

Ex. No. **PX-2451**

Date Entered _____

By _____

From: "Ball, Janet" <[REDACTED]>
Sent: Thu, 2 Apr 2020 04:01:57 +0000 (UTC)
To: Thomas Ko <thomas.ko@epicgames.com>; Alex Doroftei <alex.doroftei@epicgames.com>; Wen-Jen Chang <wenjen.chang@epicgames.com>
Cc: Julie LoBean <julie.lobean@epicgames.com>; "Horwitz, Miye" <[REDACTED]>; "Dunning, Kevin" <[REDACTED]>; "Johnson, Micah" <[REDACTED]>; "Webster, Jason" <[REDACTED]>; "Drouart, Albert" <[REDACTED]>; "Bruce, Chelsea" <[REDACTED]>
Subject: PayPal RFP Submission for Epic Games
Attachments: EPIC_RFP_Final 04012020.xlsx;RFP response 15a PayPal Team and Escalation.pdf;RFP response 14 Performance.pdf;Epic Games Processing RFP overview final_032720.pdf

Hi Epic Games team,

Thank you for including us in this RFP process. We've answered as best we can in the format and trust you know we are available and welcome any questions or conversations about the content we've provided.

We also want to try and briefly address some of the technical questions raised during the meeting last Friday. So, specific to that, we want you to know that unlike other companies in our industry we are anti-black box in our approach of helping our largest customers optimize their payments. The team at Braintree takes the time to analyze and get to know the business model and transaction lifecycle of our customers to come up with tailored strategies. Via Routing Optimization, Braintree can identify issues such as a merchant using multiple merchant accounts across multiple regions and mismatching currencies for a single order to authorize and settle an order. This resulted in many issuers seeing this as fraudulent activity. By aligning the verifications and the processing of the transaction into a single region (US) and ensuring that the currencies used were the same we were able to produce better results. We have found that many merchants who have had their payments stacks grow organically over time have potential inconsistencies which our deep analysis will surface.

In addition to Routing Optimization, our analytics can review things such as the Merchant Category Code, Approval Rates at the Order Level, and Detailed Decline codes by Issuer. Examples of how each can be used to improve the auth rate include:

- Testing if other MCCs were better for their business, and once proven successful, the changes were implemented on 100% of their volume.
- Implemented tracking at the order level to see if customers were able to complete orders with alternative payment methods and adjust the configuration so that we didn't use \$0-authorizations for some specific issuers who were unable to process these transactions.
- During a deep dive of a merchant integration it was discovered that a merchant was trying to collect data (AVS or CVV) where it did not help in the approval rate, so recommendations were made to adjust their integration accordingly.
- Working with key Issuers to alert them that a merchant was migrating subscriptions of long-standing customers to a new acquirer (PayPal), and assisting with the design of retry-strategy during the migration.

Like all our approaches these are bespoke and merchant specific but brought together all the expertise, technology and relationships that we could drive results.

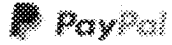
Please let us know questions as they arise and we welcome the next steps.

Stay well, all!

PX-2451.1

Janet

Janet Ball
Senior Account Executive
[REDACTED]



2211 North First Street
San Jose, CA 95131
USA

www.PayPal.com

PX-2451.2

EPIC- CONFIDENTIAL		PAYMENT PARTNER QUESTIONS	
Instructions: Please answer all questions. Please do not add or delete any rows or columns, amend the formatting or convert from the Excel format.			
Company Information			
1	Company Information		
Potential Bidders must meet the following mandatory requirements upon award of this contract. Inability to meet any of the following requirements may be cause for elimination from the bid process. Please answer the questions with a "yes" or "no". If you answer "no" to any of the below please explain why you should still be considered.			
a	Please provide the full name, address and phone number of your corporate headquarters and of the individual who is the primary contact for this proposal.	The address of our principal executive offices is PayPal Holdings, Inc., 2211 North First Street, San Jose, California 95131. Our website is located at www.paypal.com, and our investor relations website is located at http://investor.paypal-corp.com. Janet Ball, Senior Account Executive is the primary contact and can be reached at [REDACTED]	
b	Describe the company's experience in Latam online payment processing and the number of years it has been in this field of business.	We have been in LATAM for 12+ years and PayPal is one of the largest payment processors in the region with over [REDACTED]. PayPal has a dedicated service team to provide customer support in Spanish or Portuguese based on the location and preference of the customer. In Brazil and Mexico, we have the capability to process in local currency, but in the rest of LATAM we process in USD. Presentment currencies are available for select currencies, find full list in appendix of RFP Overview presentation dated 3.27.2020. Braintree / PayPal are regulated entities in Brazil and Mexico. PayPal has made a significant investment in PPro which recently acquired Allpago.	
c	Describe your growth and/or expansion strategy.	<p>We believe that now is the time to reimagine money and to democratize financial services so that managing and moving money is a right for all, not just the affluent. We believe every person has the right to participate fully in the global economy. We have an obligation to empower people to exercise this right and improve financial health. As a leader in Financial Technology, we believe in providing simple, affordable, secure and reliable financial services and digital payments that enable the hopes, dreams and ambitions of millions of people around the world. It is our duty and privilege to be Customer Champions. We have a fundamental commitment to put our customers at the center of everything we do. We must be bold and innovative and execute flawlessly against our immediate goals, with our eyes always on the future.</p> <p>Our ability to grow revenue is affected by, among other things, consumer spending patterns, merchant and consumer adoption of digital payment methods, the expansion of multiple commerce channels, the growth of mobile devices and merchant and consumer applications on those devices, the growth of consumers globally with internet and mobile access, the pace of transition from cash and checks to digital forms of payment, our share of the digital payments market, and our ability to innovate and bring new products and services that merchants and consumers value.</p> <p>Our strategy to drive growth in our business includes the following:</p> <ul style="list-style-type: none"> • Growing our core business: through expanding our global capabilities, customer base and scale, increasing our customers' use of our products and services by better addressing their everyday needs related to accessing, managing and moving money, and expanding the adoption of our solutions by new merchants and consumers; Expanding our value proposition for customers: by focusing on trust and simplicity, providing risk management and insights from our two-sided Payments Platform, and being technology and platform agnostic; • Extending through strategic partnerships: by building new strategic partnerships to provide better experiences for our customers, offering greater choice and flexibility, acquiring new customers, and reinforcing our role in the ecosystem; and • Seeking new areas of growth: organically and through acquisitions in our existing and new international markets around the world and focusing on innovation both in the digital and physical world. 	

d	Describe any partnerships or alliances you have in place that may benefit EPIC.	<p>In early 2020, PayPal announced a strategic partnership with China Union Pay to accelerate growth for both networks. PayPal previously gained entry into the vast China market when Peoples Bank of China licensed its 70% stake in Guofubao Information Technology or GoPay. The transaction makes PayPal the first foreign firm to gain licensure to operate a payment platform in China. Braintree, an online payment gateway for merchants, was acquired in 2013, including Venmo which has become one of the world's dominant peer to peer payments platforms. PayPal acquired Xoom Corporation in 2015. The purchase was significant, as it gives PayPal an entry into the \$700 billion global remittance market. iZettle, purchased in 2018 for gives PayPal cutting edge e-commerce tools across Europe and Latin America. PayPal's 2019 investment into MercadoLibre (NASDAQ:MELI) provides a foothold in Latin America, and a combined 500 million users create enormous consumer clout.</p> <p>PayPal will continue to position itself to take full advantage of the complicated global financial landscape and will continue to actively search for unique technologies and partnerships through PayPal Ventures to augment our business's strategic advantages.</p>
e	Detail any previous external acquisition of technology and solution components relevant to this RFP	<p>Our Payments Platform utilizes a combination of proprietary and third-party technologies and services intended to efficiently and securely facilitate transactions between millions of merchants and consumers worldwide across different channels, markets, and networks. Our Payments Platform connects with financial service providers around the world and allows consumers to make purchases using a wide range of payment methods, regardless of where a merchant is located. Consumers who use our Payments Platform can send payments in more than 200 markets around the world and in more than 100 currencies, withdraw funds to their bank accounts in 56 currencies and hold balances in their PayPal accounts in 25 currencies.</p> <p>A transaction on our Payments Platform can involve multiple participants in addition to us, including a merchant, a consumer, and the consumer's funding source provider. We have developed intuitive user interfaces, customer tools, transaction completion database, and network applications on our Payments Platform that help our customers utilize our suite of products and services. Our Payments Platform, open application programming interfaces, and developer tools are designed to enable developers to innovate with ease and offer robust applications to our global ecosystem of merchants and consumers, while at the same time maintaining the security of our customers' financial information.</p> <p>The technology infrastructure supporting our Payments Platform simplifies the storage and processing of large amounts of data and facilitates the deployment and operation of large-scale global products and services in both our own data centers and cloud computing. Our technology infrastructure is designed around industry best practices intended to reduce downtime in the event of outages or catastrophic occurrences. Our Payments Platform incorporates multiple layers of protection for business continuity and system redundancy purposes and to help address cybersecurity risks. We have a comprehensive cybersecurity program designed to protect our technology infrastructure and Payments Platform against these challenges, including regularly testing our systems to identify and address potential vulnerabilities. We strive to continually improve our technology infrastructure and Payments Platform to enhance the customer experience and to increase efficiency, scalability, and security.</p> <p>Specific acquisitions of technology and solution components include: Braintree: https://www.ebayinc.com/stories/news/paypal-acquires-global-payments-innovator-braintree/</p>
f	Indicate the total number of employees	21,800 globally

g	Describe your core product and service lines.	<p>PayPal Holdings, Inc. provides the PayPal Commerce Platform which enables digital and mobile payments on behalf of consumers and merchants worldwide. It provides a simpler and safer way for businesses of all sizes to accept payments from merchant websites, mobile devices and applications, and at offline retail locations through a range of payment solutions. It also facilitates person to person payments through PayPal, Venmo, and Xoom.</p> <p>For large enterprises we provide a single platform that can power your entire payments ecosystem of partners, leveraging a single integration and providing unmatched flexibility, scalability and reach. Our platform provides differentiated services which can be used to create payment solutions for Epic Games, your customers and your various business lines.</p>
h	Provide product roadmap – the solutions in this RFP and others in your portfolio	<p>Our Product & Engineering teams follow a Product Development Framework to embody a discovery-driven delivery approach. All functionality and capability build (new and changes) go through an extensive discovery approach to ensure we have strong understanding and alignment on the problem statement and the solution design/approach to address the business needs. As part of the solution discovery, work effort sizing and delivery milestones are defined and shared with our partners for joint alignment. Once accepted, the work effort is accordingly prioritized across development teams. Post discovery signoff, all functionality enhancements go through the Execution phase with clear milestones leading up to test readiness. As part of the testing procedures, all enhancements go through unit testing as part of the execution followed by QA testing across regression, stress and load testing. Post QA, we go through user acceptance testing in close partnership with our merchant partner to ensure there is joint alignment and signoff. Once signoff is received, the code is promoted to production to drive adoption and ramp. As part of end to end Product Delivery, milestones are closely tracked across teams at each stage of the development lifecycle to keep our partners informed at all times around testing progress.</p> <p>Partner requests are accommodated as part of our quarterly roadmap reviews. Partners can route their specific requests during MBR/QBR with the assigned Global Sales Director, Customer Success Manager, or designated Product Managers. Since we release multiple product updates and capabilities multiple times a month, releases can be isolated to a single merchant request or can contain enhancements and features that apply to multiple partners.</p>
i	Describe your R&D investment by product/function in prior years and planned going forward.	Total research and development expense was \$2.09 billion in 2019, \$1.1 billion, \$953 million and \$834 million in 2018, 2017 and 2016, respectively. PayPal owns and continuously procures various types of IP protection, including patents, trademarks, copyrights, domain names, and trade secrets to protect its research and development, brands, original work, and web addresses, in various jurisdictions around the world. A non-exhaustive listing of patents in the US related to PayPal products, services, platforms, and/or features can be accessed at https://www.paypal.com/us/webapps/mpp/ua/patent-page?locale.x=en_US . PayPal owns a large portfolio of trademarks around the world. PayPal will continue
j	How many current clients do you have?	We operate a global, two-sided network at scale that connects merchants and consumers with 305 million active accounts (consisting of 281 million consumer active accounts and 24 million merchant active accounts) across more than 200 markets.
k	How many online transactions and total \$ flow did you process on average per month in 2019?	We process on average more than 20,000 transactions per minute (873.6 million/month). In 2019 PayPal processed \$712 Billion in total payment volume (\$59.3 Billion / month)
m	Please list your 3 largest online gaming references for payment processing	We are happy to make introductions to relevant representatives at participating clients and partners to provide a more personal level of reference.
p	Who are you 3 main competitors?	PayPal competes and partners with many companies in many different segments of digital commerce. As a global, world class payments platform, Braintree stands alone in many areas but also competes versus traditional bank offerings like BAMS and Chase Paymentech as well as newer, venture funded platforms like Stripe and Ayden.
s	List your current licenses. Do you comply with SAS70/SOC1?	We are compliant globally with all applicable laws and regulations. Specifically, we are a Level 1 service provider and complete annual PCI DSS assessment. In addition, we complete SOX, SOC1 and SOC2 assessments

t	Please take this opportunity to suggest to us what makes your company different from other providers and why EPIC should select you to provide these services.	<p>Only PayPal has the power to partner with Epic Games on innovative payments solutions and enable speed to market on a solid foundation of 20+ years of online payments experience and the stability of a billion+ dollar balance sheet.</p> <p>Our business is built on a strong foundation designed to drive growth and differentiate us from our competitors. We believe that our competitive strengths include the following:</p> <ul style="list-style-type: none"> - Two-sided Platform: our platform connecting merchants and consumers enables PayPal to offer unique end-to-end product experiences while gaining valuable insights into customer behavior through our data. Our platform provides for digital, mobile, and in-store transactions while being both technology and platform agnostic. - Scale: our global scale allows us to drive organic growth. As of December 31, 2019, we had 305 million active accounts, consisting of 281 million consumer active accounts and 24 million merchant active accounts in more than 200 markets around the world. In 2019, we processed \$712 billion in total payment volume. - Brands: we have built well-recognized and trusted brands. Our marketing efforts across multiple demographic groups play an important role in building brand visibility, usage, and overall preference among customers. - Risk Management: our risk management system and use of tokenization are designed to help keep customer information secure, and to help ensure we process legitimate transactions around the world, while identifying and minimizing illegal, high-risk, or fraudulent transactions. - Regulatory: we believe that our regulatory licenses, which enable us to operate in markets around the world, are a distinct advantage and help support business growth. <p>Additionally, please refer to RFP Overview presentation dated 03.27.2020, and additional supporting documentation provided with this RFP.</p>
2	Financial Stability	
<i>Note: Proof of your companies financial position will be requested within the RFP submission documentation. Please provide the documentation requested.</i>		
a	Provide last audited Financials	https://investor.paypal-corp.com/financial-information/annual-reports
b	If you are awarded this business what percentage of your companies revenue will it account for?	Assuming \$3 Billion in processing is awarded, it will account for less than 1% of our total payment volume.
3	References	
<i>Please provide three client references, preferably of similar size and structure to EPIC. The references should be current customers who had or have accounts which are similar in nature to those proposed herein. Please include name, title, phone number and email address of the reference contact.</i>		
a	Reference 1	We are happy to make introductions to relevant representatives at participating clients and partners to provide a more personal level of reference.
b	Reference 2	
c	Reference 3	
Portfolio		
4	Foot Print	
a	List all the payment instruments you support today per Country, and their key characteristics List products that are live and not products from your current roadmap	See Additional Tab below - "Response to Sec 4 - Footprint"
b	List which combinations are processed domestically or regionally (vs. international) and detail Observed benefits (product reach, auth rates, cost savings, etc.) Limitations (local entity requirement, fund repatriation, withheld taxes, etc.)	See Additional Tab below - "Response to Sec 4 - Footprint"

c	Detail where you are directly connected to the card schemes, act as an ISO (list sponsors) and/or a gateway (list acquirers)	Non-US Domiciled: Adyen, AIBMS, BNZ, Braintree Australia (K2), Braintree Brazil, First Data (APAC), Moneris, NAB, Omni Pay, SEB Ambora, UnionPay, Worldpay US Domiciled: Chase Salem, Heartland, Merchant eSolutions, TSYS SignaPay, Vantiv Little, Wells Fargo and BankCard Cardnet Global: Amex Direct, Payflow Connector, PayPal Express Checkout.
f	Roadmap 12-month roadmap per country	PayPal is focused on expanding its payment processing capability globally by prioritising our roadmap informed by merchant led requirements. Over the next 12 months we have a dedicated roadmap focused on unlocking key markets within LATAM, India and APAC. We are currently planning on releasing Brazil, India, and planning for a 2021 release of Japan. We are actively working with our largest merchants to ramp their localized card processing and aggressively drive down transactional costs, while achieving improved authorization levels in Brazil and India in 2020. In addition to our card acquiring roadmap, PayPal has a dedicated product and commercial team that are actively opening up new payment methods and local card schemes to enable optimised consumer coverage in key territories.
	3-year strategy (incl. corporate strategy)	Included in above response.
5	Set up	
	List products and services that	
a	Require a local or regional entity and/or bank account	See Additional Tab below - "Response to Sec 4 - Footprint"
b	Require a contract with a 3rd party	See Additional Tab below - "Response to Sec 4 - Footprint"
c	Present local regulatory issues	See Additional Tab below - "Response to Sec 4 - Footprint"
d	Incur withheld taxes	See Additional Tab below - "Response to Sec 4 - Footprint"
e	Require 3D/VbV	See Additional Tab below - "Response to Sec 4 - Footprint"
f	Have any other specific requirement/implication	See Additional Tab below - "Response to Sec 4 - Footprint"
6	Services	
When a service is available, list applicable payment methods/products. Specify where you are using 3rd parties. Provide their names. List where additional charge to user applies.		
a	\$0.00 authorizations	Yes: DCC
b	Dynamic descriptors	Yes: DCC, PayPal
c	DCC (list supported base and converted currencies)	Yes. Currency list found here: https://articles.braintreepayments.com/get-started/currencies
d	Delayed settlement	Yes: DCC, PayPal
e	Void/Cancel authorization	Yes: DCC, PayPal
f	Pre-orders	Yes: This is done by vaulting DCC or PayPal payment methods

[illegible]

PayPal/Braintree Support and Escalation Contacts

For



Updated 4/1/2020

PayPal/Braintree Support roles defined:

Customer Success Manager:

The Customer Success Manager (CSM) will be your primary point of contact for issue resolution and all day-to-day operational queries.

Account Executive:

The Account Executive (AE) will be your primary point of contact for the overall relationship including but not limited to commercial negotiations and the evolution of the relationship.

Solutions Engineer:

The Solutions Engineer (SE) will be your primary point of contact for creating a custom solution, designed specifically to your needs through the integration process. This would include understanding the merchant's technical landscape and how PayPal's platform would best be connected.

Engagement Manager:

The Engagement Manager (EM) will be your primary point of contact for project and technical assistance with the integration. They ensure the project stays on track and gets the merchant and user experience certified and live.

Technical Account Manager:

The Technical Account Manager (TAM) will be your primary point of contact for any technical issues that impact your ability to process payments.

PayPal support contacts

Description	Information
Customer Success Manager: Business hours: Monday to Friday 8am – 5pm CST Outside business hours: For urgent to critical technical issues please reference the TAM escalation path below.	1st escalation point: Name: Kevin Dunning Title: Customer success Manager, NA Merchant Services Direct: [REDACTED] Mobile: [REDACTED] Email: [REDACTED] Backup Customer Success Manager: Name: Greg George Title: Customer Success Manager, NA Merchant Services Mobile: [REDACTED] Email: [REDACTED] 2nd escalation point: Name: Rick Hermanek Title: Head of Customer Success, NA Merchant Services Phone: [REDACTED] Mobile: [REDACTED] Email: [REDACTED]

Description	Information
Account Executive:	1st escalation point:
	Name: Janet Ball
Business Hours:	Mobile: [REDACTED]
Monday to Friday 8am – 5pm CST	Email: [REDACTED]
	2nd escalation point:
Outside business hours:	Name: Miye Horwitz
For urgent to critical technical issues please reference the TAM escalation path below.	Title: Director, NA Enterprise Sales
	Mobile: [REDACTED]
	Email: [REDACTED]
	ROW Escalation point:
	Name: Linda Smith
	Title: Customer Success Manager, Ire/BeNeLux Merchant Services
	Direct: [REDACTED]
	Mobile: [REDACTED]

Description	Information
<p>Technical Account Managers (TAM)</p> <p>Business hours:</p> <p>Monday to Friday 8am – 5:00 pm CST</p> <p>On-Call Technical Support</p> <p>Used when there is an urgent issue preventing the merchant from processing payments. When a merchant or CSM/AE contacts the on-call line, they'll be asked to leave a voicemail with their contact information and a description of the issue. From here, Pager Duty will notify TS that there's an issue via email, phone, and text message. If an issue isn't acknowledged after 30 minutes, the On-Call Manager is notified to assist.</p>	<p>Escalation point:</p> <p>Technical Account Managers, Professional Services</p> <p>Your technical support team can be reached at [REDACTED] 24 hours a day, 7 days a week.</p> <p>Live Site Status: https://www.paypal-status.com</p> <p>Critical issues</p> <p>24/7/365 Phone Support:</p> <p>US: 855-489-0340</p> <p>Braintree Technical and Emergency Support</p> <p>Technical Support Email – support@braintreepayments.com</p> <p>5am to 12am CDT, Monday through Thursday 5am to 8pm CDT, Friday</p> <p>Technical Support Phone – 877.434.2894</p> <p>8am to 7pm CDT, Monday through Thursday 8am to 5pm CDT, Friday</p> <p>Braintree Status Site</p> <p>https://status.braintreepayments.com/</p> <p>Braintree Emergency Email</p> <p>Outside of normal business hours, you may use our Emergency Support form to page an on-call rep, <i>only if you are unable to process payments.</i></p>

PayPal technical email notifications

To ensure you have the latest technical information on planned site maintenances, unplanned events, and site changes, we have developed a new notification portal at **<https://www.paypal-status.com>**. Here are some of the features you will find on this new portal site:

- Self-subscribe and manage email notifications you receive.
- Search notifications by product-type
- Calendar of previous and upcoming scheduled technical events.

The URL address for the new portal is: **<https://www.paypal-status.com>**

Please make sure IT, Finance & Customer Service Team leaders are also included if any unplanned events occur. It's important that all contacts are on file and up-to-date.

Section 14: Additional detail on Performance SLAs

While Braintree does not provide SLA guarantees, we have a target availability of [REDACTED] or greater over one calendar month and we regularly reach [REDACTED] availability during any given month. We are happy to provide historical availability statistics at your request.

Gateway Uptime

Gateway Uptime is used to measure the contractual commitments we have made to our merchant partners as the minimum level of service we must provide. It's important that our systems and availability can support these Service Levels so that we can maintain strong merchant customer experience and relationships. Gateway Uptime is used to reflect performance of systems within Braintree's control.

Calculation: (Total # of Secs in measurement period - GW Downtime) / Total # of secs in measurement period

- After incident resolution, the Incident Management team determines most responsible party
- If an incident was wholly caused by Braintree (e.g. hardware failure) count against Gateway Uptime
- If an incident was caused by a third party (e.g. ISP, processor) do not count against Gateway Uptime
- Our target Gateway Uptime is [REDACTED] i.e. at least [REDACTED] (internally)

• [REDACTED]

GW Downtime: If an incident partially impacts [REDACTED] of merchants, GW Downtime is [REDACTED] of incident duration. If an incident fully impacts [REDACTED] of merchants, GW Downtime is [REDACTED] of incident duration. If in doubt, we use [REDACTED] of incident duration.

Please see following page for 2020 & 2019 Uptime Measurements

2020 GW Uptime Measurements

Time Period	GW Uptime
January	
February	

▼ 2019 GW Uptime Measurements

Time Period	GW Uptime
January	
February	
March	
Q1	
April	
May	
June	
Q2	
July	
August	
September	
Q3	
October	
November	
December	
Q4	
Year	

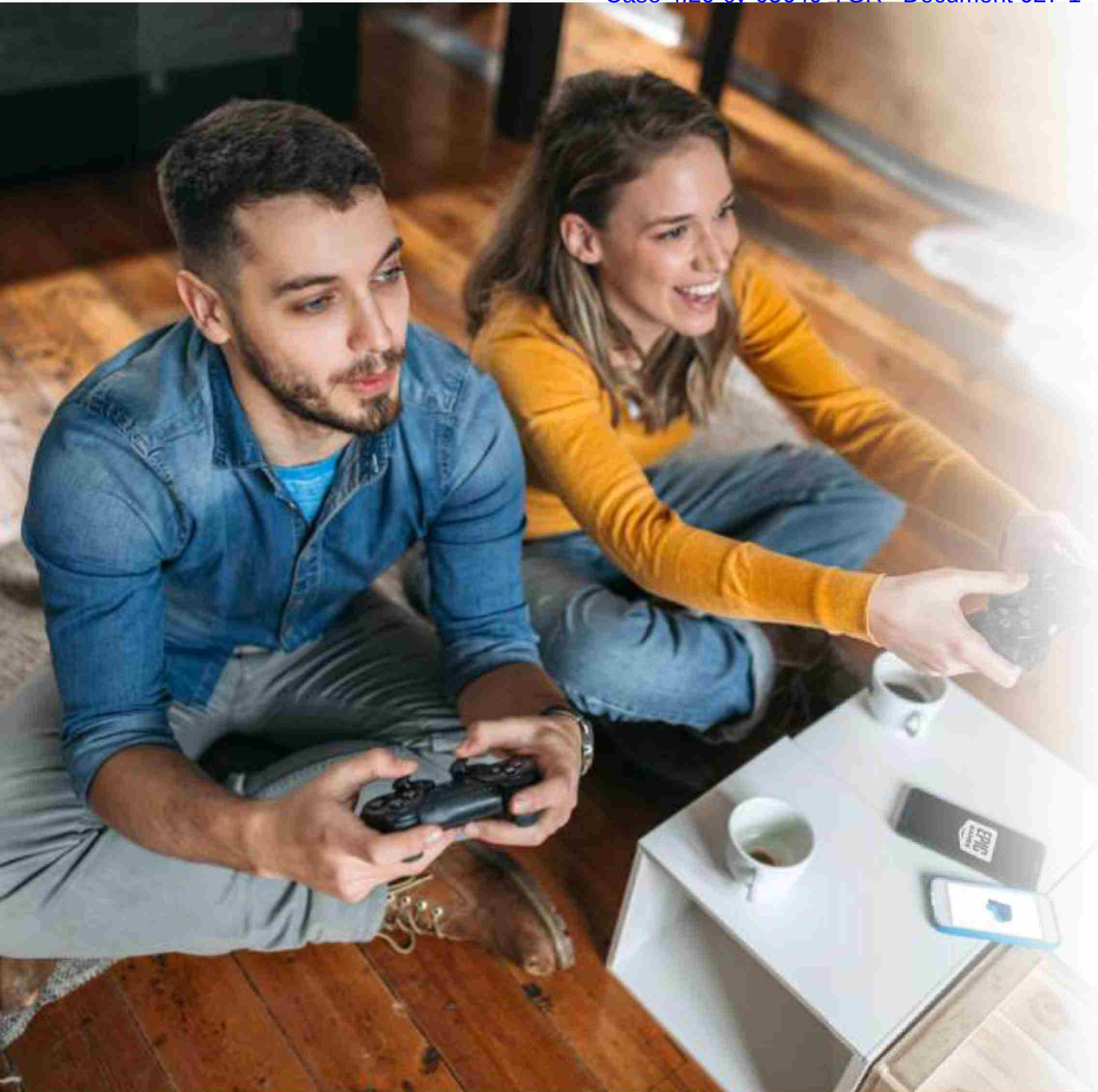


Processing RFP Overview

March 27, 2020

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PX-2451.17



Agenda

Shared Vision

Positive Business Outcomes

Required Capabilities

Why Braintree

ROI Impact

Commercial Terms

Next Steps

Shared Vision

Tim Sweeney's vision is to Democratize gaming by helping to create the **metaverse: "a real**-time, 3D social medium where people can create and engage in shared experiences as equal participants of an open economy with **societal impact"**



We believe that PayPal is uniquely positioned to support Epic Games with our mission to democratize financial services for all, leveraging a flexible platform, global footprint, and the **agility to help bring Epic's** vision to life while delivering growth and efficiencies today

What else we heard :

Epic Games wants to optimize and expand your global payments ecosystem to increase profitability while maximizing operational efficiencies.

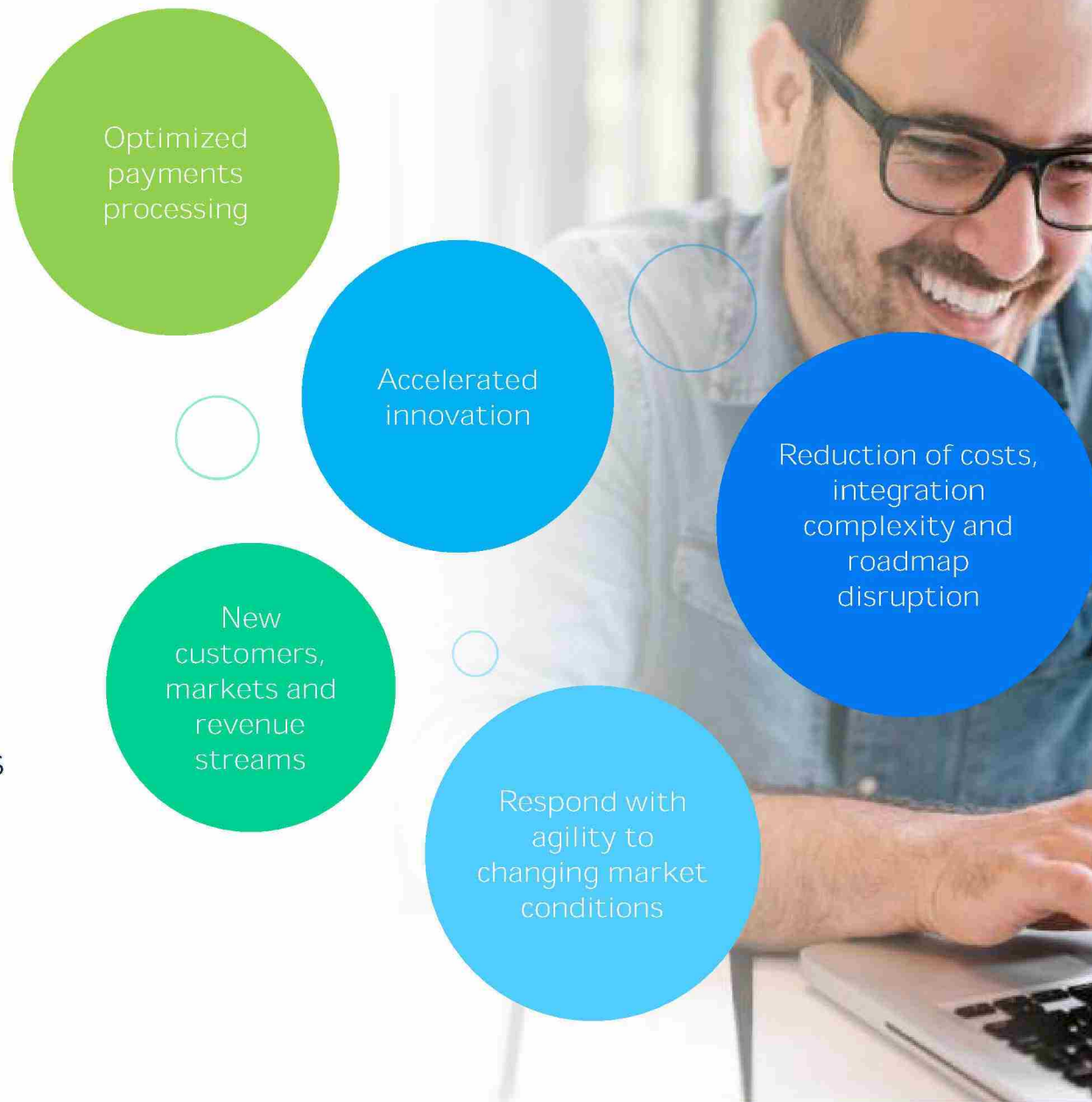
We understand where you are

- Complex ecosystem
- Siloed information
- Tech debt
- Barriers to expansion
- Persistent threats



We understand where you want to be

- Flexible, scalable, global platform
- Right mix of technical capabilities
- Fill in the gaps
- Leverage payments innovation
- Deliver tangible, positive outcomes



Epic Games requires these capabilities to drive the desired business outcomes



Increase Profitability

- Robust, global processing capabilities
- Efficient customer acquisition
- Increased global payments penetration
- Reduced cost of payments



Maximize Operational Efficiencies

- Reduced risk and compliance burden
- Tokenized subscriptions
- Flexible fraud capabilities
- Speed to market
- Streamlined back office functions



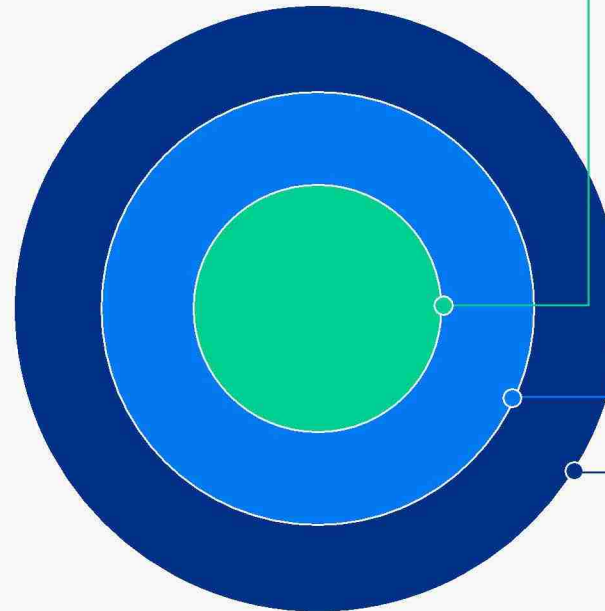
Deliver on the Vision

- Innovative platform
- Partnership enablement
- Payments agnostic
- Platform agnostic
- Strategic partnership

It all starts with the platform.

Powered by trillions of transaction insights and global relationships, Braintree is uniquely positioned to optimize processing and generate the highest approval rates on the first try, without compromising security or user experience.

Optimized Processing Engine



Unparalleled Global Network

- Trillions of transaction data points
- Expansive two-sided network with 305M+ consumers and 23M+ businesses
- Deep global banking relationships
- Direct links to card networks

Fresh Vault

- Batch Account Updater
- Real-time Account Updater
- Verifications
- Network Tokenization*

Adaptive Processing

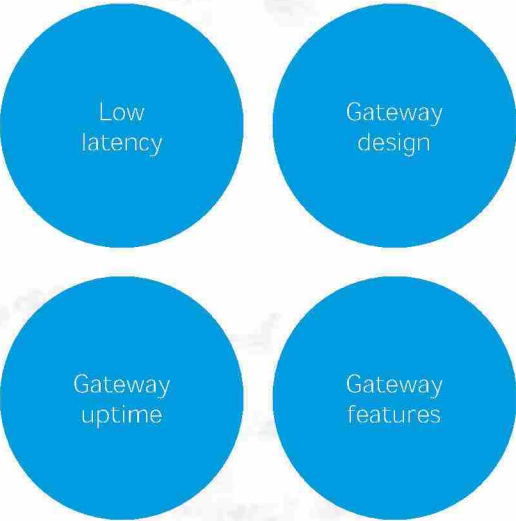
- Real-time Decisioning & Retries*
- Robust Risk Filters
- Merchant Advisory
- Ongoing Monitoring and Alerts

* In development

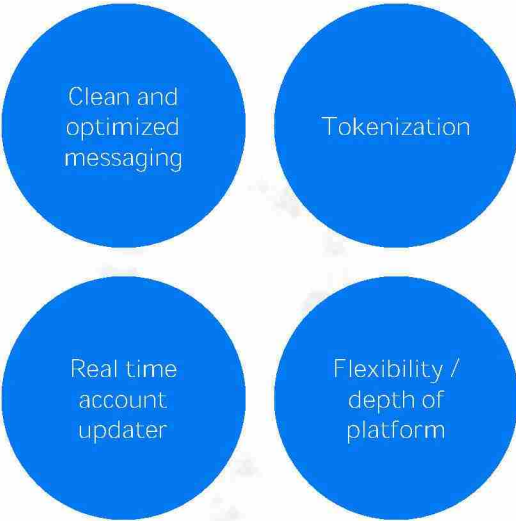
We offer a suite of tools that, when combined uniquely for your business, can orchestrate your best authorization rates globally

THE PROCESS IS THE PRODUCT

Core Technology



Interface and Network Connectivity



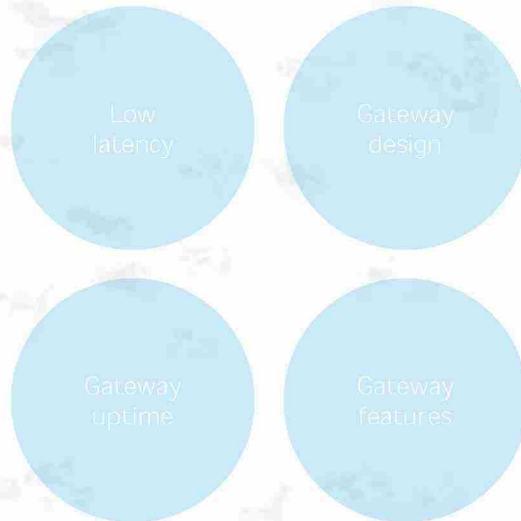
Data Insights



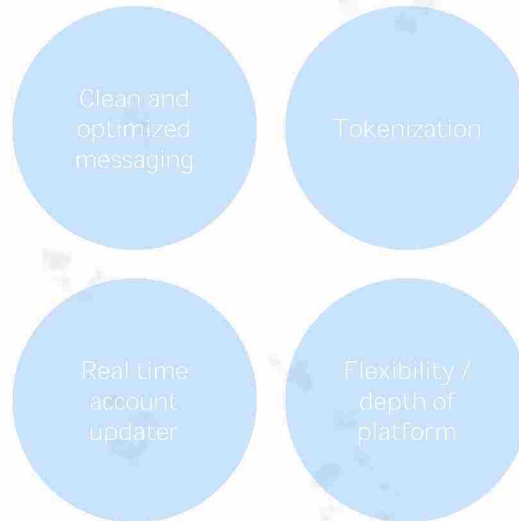
What would
~2%
improvement in
authorization rates
mean for you?

STRATEGIES WE EMPLOY

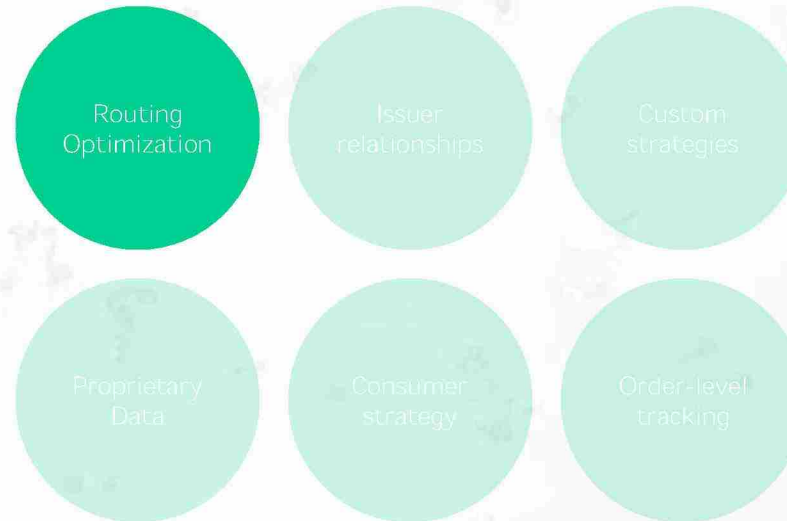
Core Technology



Interface and Network Connectivity



Data Insights



What would

~2%

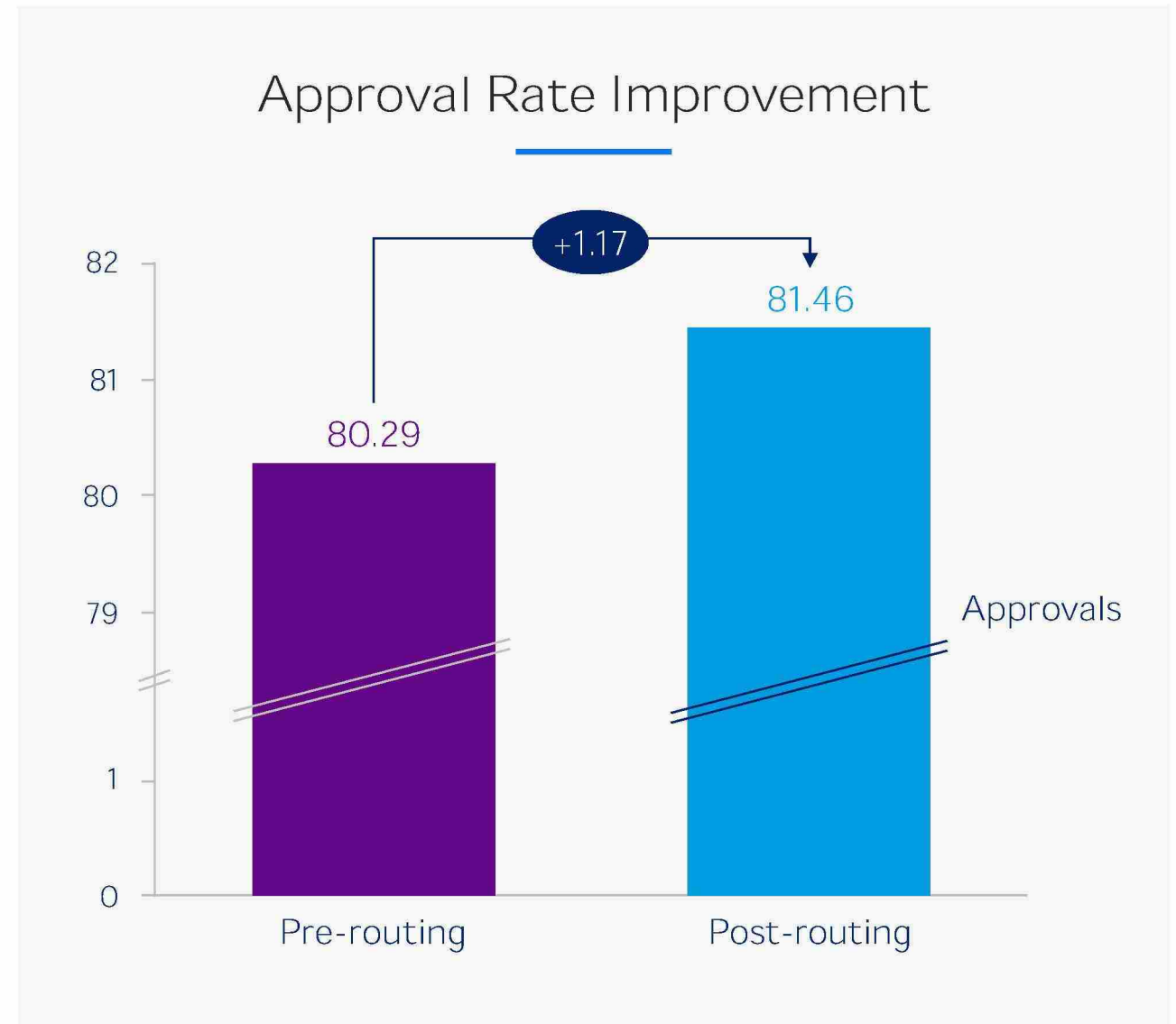
improvement in
authorization rates
mean for you?

OUTCOME

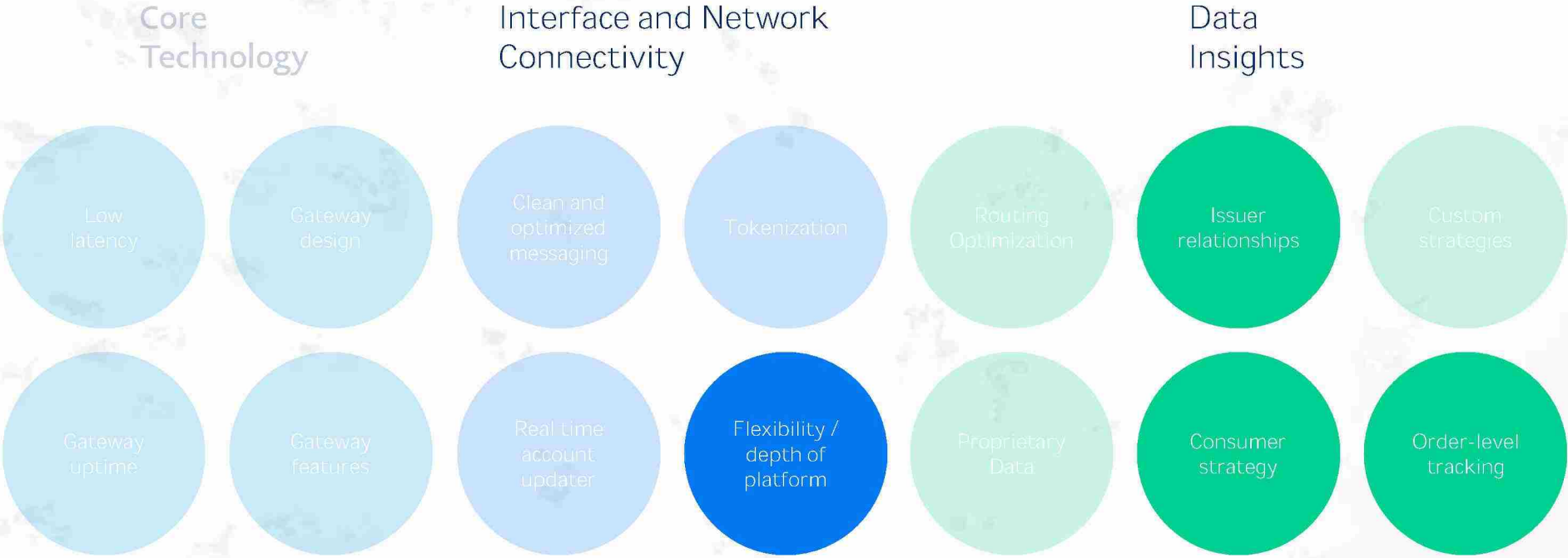
Routing customization reduces declines

Our Business Intelligence & Analytics team can provide the support you need to make sure that you have the best routing possible.

In practice, this led to a 1.17 increase in authorization approvals for a US large online retailer.



STRATEGIES WE EMPLOY

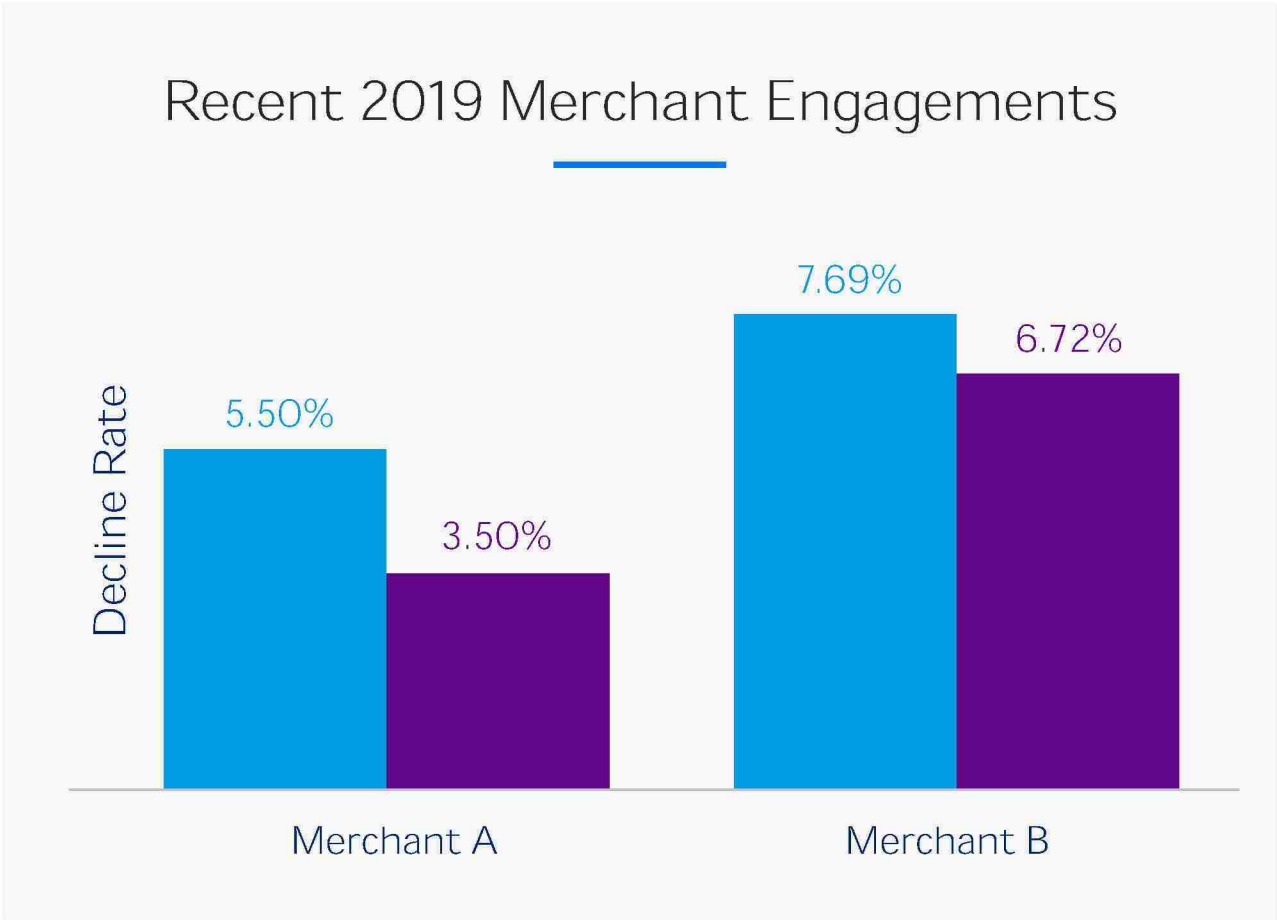


What would
~2%
improvement in
authorization rates
mean for you?

OUTCOME

Platform, Data Analysis and Execution

Combining the unique assets we have to deliver real results for subscription merchants. From configuration, to transaction flagging, to transaction routing we provided bespoke recommendations that delivered results.



Actions taken:

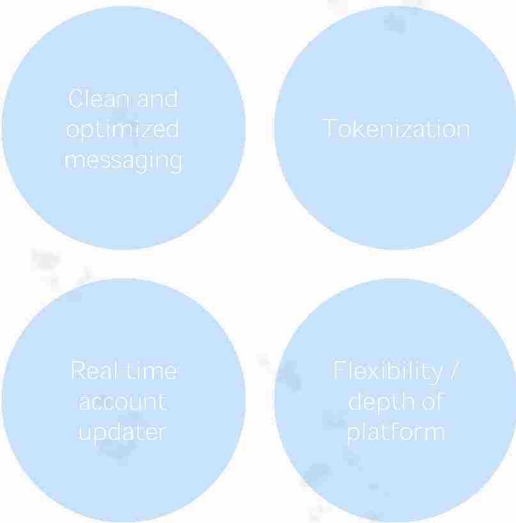
- MCC optimization and testing (Testing transactions on different MCCs)
- Detailed decline code analysis, with issuer – identified specific technical errors associated to certain issuers and BINs.
- Detailed decline code analysis to surface approval performance and specific declines at the order and user level in order to enable targeted user notifications.
- Checkout flow and checkout page review - Front end A/B testing recommendations (e.g. CVV, AVS)
- Modified back end configuration for BINs to eliminate errors and some risk related declines. (Flagging, transaction messaging, routing, verification flow)

STRATEGIES WE EMPLOY

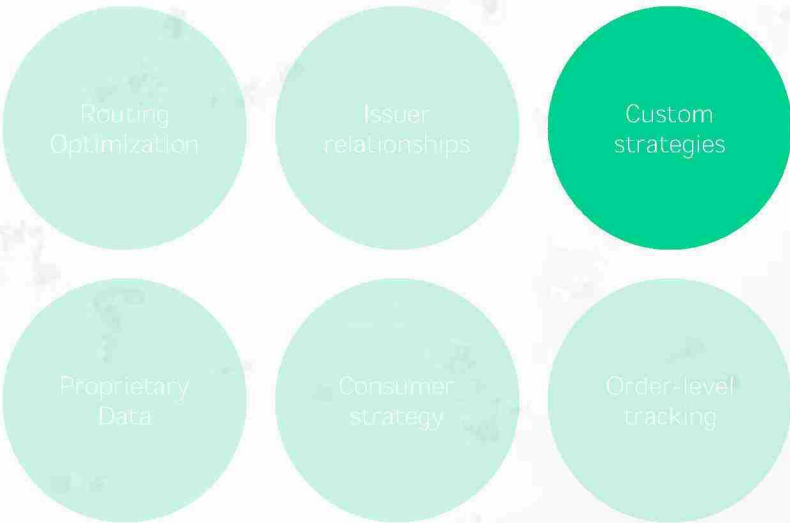
Core Technology



Interface and Network Connectivity



Data Insights



What would
~2%
improvement in
authorization rates
mean for you?

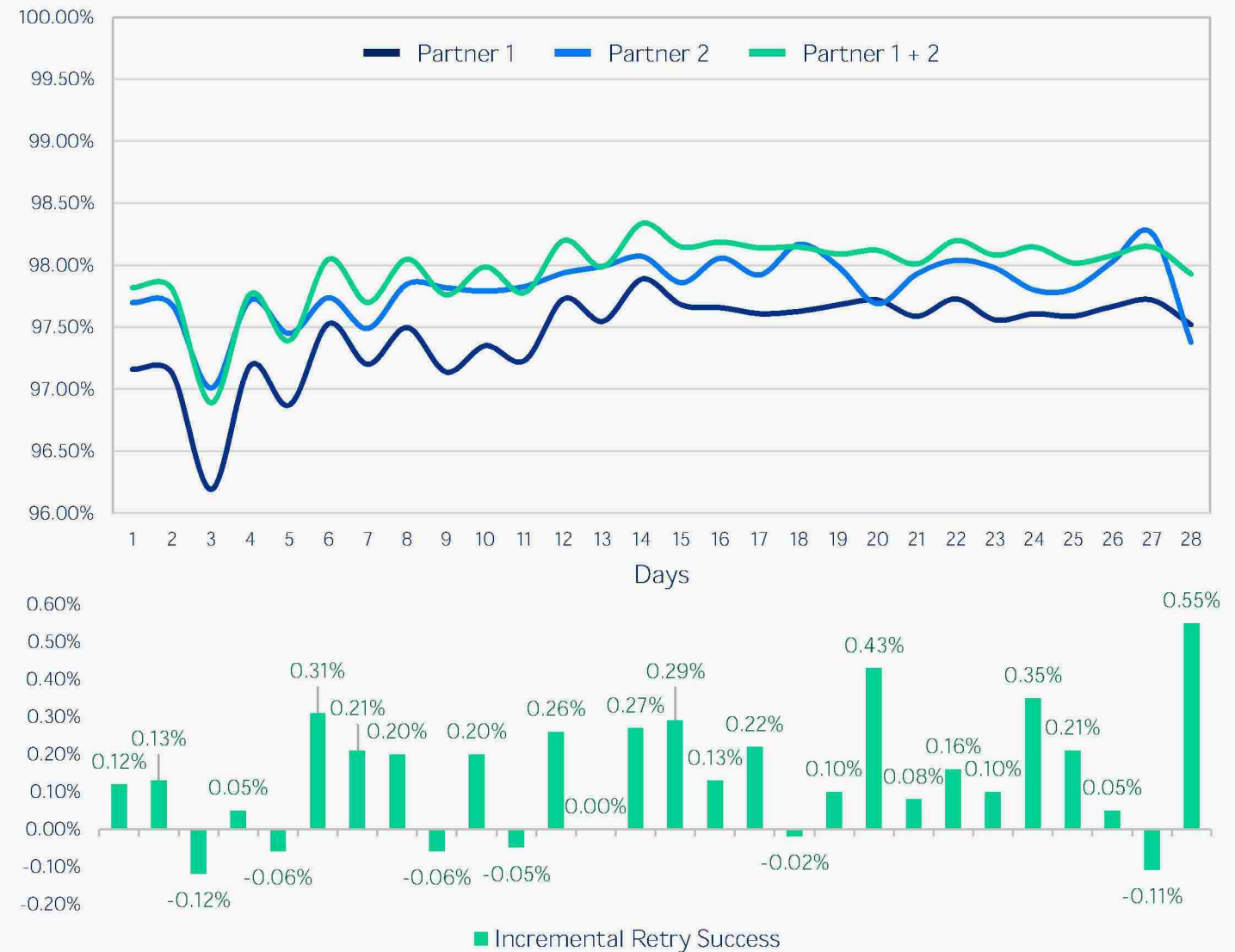
OUTCOME

Retry customization reduces declines

Our platform can be configured with multiple partners allowing Epic Games to execute any retry strategy:

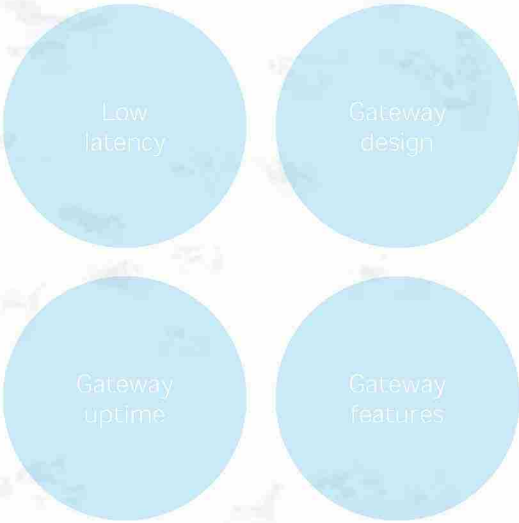
- 1st time real-time retries
- Retries with Network Tokens
- Retry logic with RTAU
- Advice on retry strategy according to issuer and BIN decline patterns
- Advice on retry strategy according to grace periods
- User and order level approval analysis to help improve User experience and support

Multi-Partner Retry

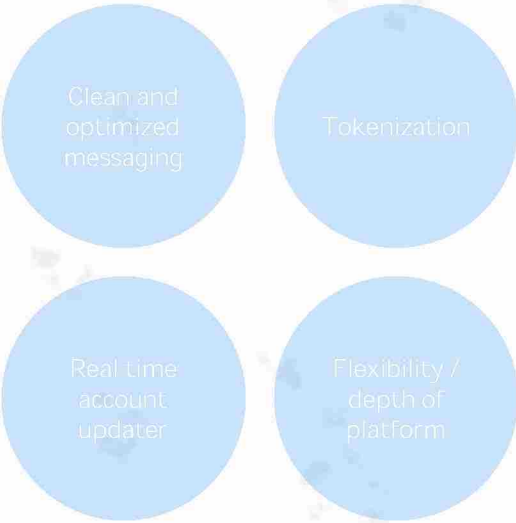


STRATEGIES WE EMPLOY

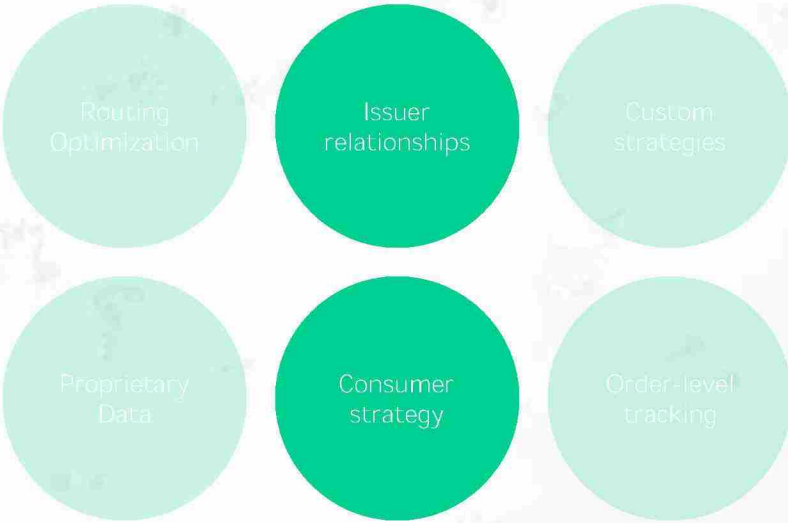
Core Technology



Interface and Network Connectivity



Data Insights



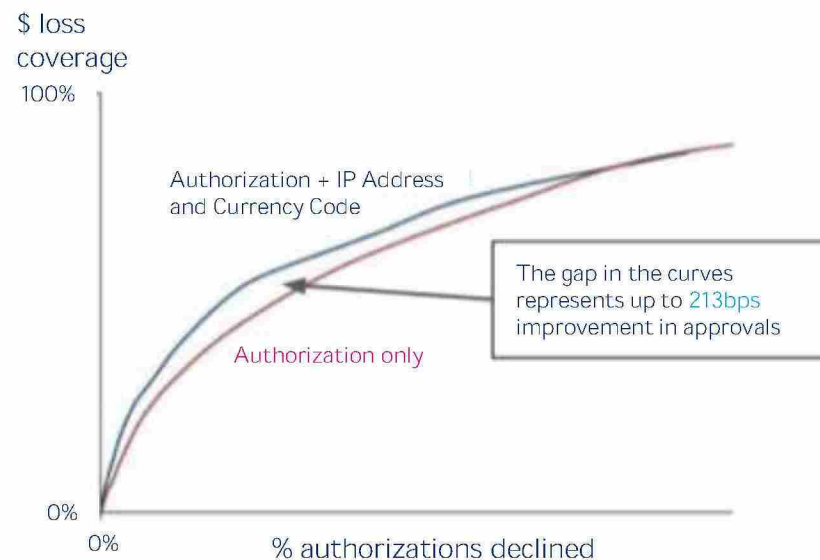
What would
~2%
improvement in
authorization rates
mean for you?

OUTCOME

Through issuer partnership to back-test old auth decisions with new data sets, we uncovered ~2% in auth approval opportunity

Fraud loss coverage v. authorization decline rate

3DS – March/April 2019



Using only two data elements on a limited dataset the issuer displayed the ability to move authorization rates up.

The value of new data points will be a **“game changer”** for Issuers and Merchants

- Customer info (email, account changes)
- Skipping information
- SKU level information
- Partner risk scores
- IP Address
- Device ID
- Device Location
- Payment Account Age
- Browser details

INTERFACE / NETWORK CONNECTIVITY

Tokenized account data reduces your declines

We are an industry leader in network tokenization, offering you unparalleled benefits without the growing pains of an evolving ecosystem.

OUR TOKENIZATION CAPABILITIES

Bulk Tokenization	Low latency configurations	Scalable ecosystem	Risk scoring tokens
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We continuously invest in our **“Fresh Vault”** capabilities so that you have the most cutting-edge ways to keep consumer information current, including batch and real-time account updater.

Updated consumer data means fewer issuer declines. Always keep your consumer data fresh with real time, automatic account updates, supported by one of the world’s largest tokenized vaults.

After the launch of real-time account updater, we saw:

50%

reduction in issuer declines in North America

25%

reduction in issuer declines in EMEA

We identify, we
analyze, and we
make actionable

Implementation

We work with you and our development teams to implement changes to flagging/processing parameters to resolve issues.

Communication / Confirmation

Based on root causes Braintree will communicate with scheme, issuers, acquirers, merchants to plan strategies or fixes to issues.

Transaction Variance Reporting

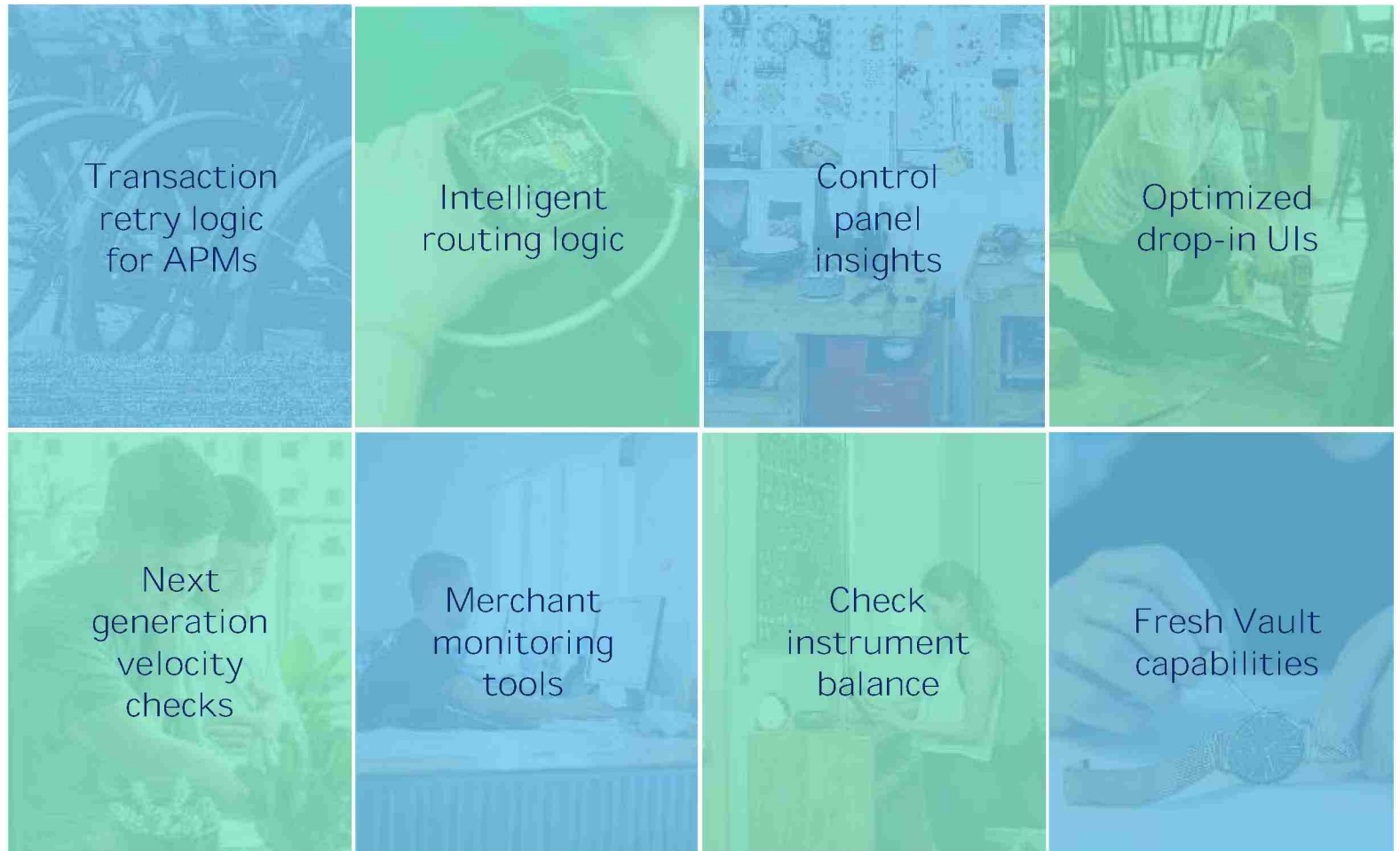
Dedicated team creates set of automated insight reports to identify badly performing banks, MCCs, markets, etc.

Analysis / Testing / Root Cause

Team performs deeper analysis of identified issues, including coordinating with scheme and issuer teams and SMEs inside company and partners.

What we're working on

We constantly innovate on our toolset – enabling the best outcomes for our customers around the globe





Increase Profitability

Robust processing platform

Braintree's flexible, scalable

platform will be configured to meet your unique strategic and operational needs.

- Redundancy built in to automatically flip over to another processor in case of a failure
- Proactive scalability to meet demand

Acquire new customers

Create new opportunities to buy & do more with your payments data with Venmo and Braintree Extend

Reduce transaction and fx costs

A more comprehensive partnership enables economies of scale. Only PayPal can deliver cost savings on this large part of your business with lower rates, multicurrency withdrawal and micropricing on small transactions

Expand Payments

50 countries & over 130 currencies with flexible APIs to fill in the gaps of your current global payments ecosystem



Maximize Operational Efficiencies

Risk Mitigation

Superior processing & infrastructure supports more than **20,000** transactions per minute with [REDACTED] uptime

Tokenized Subscriptions

PCI compliant way to securely store and update payment methods for repeat purchases

Easily Integrate New Payment Methods

Customizable checkout UI that passes card data securely while allowing you to stand-up additional payment methods with ease

Flexible Fraud Capabilities

Leverage PayPal's 20+ years of transaction data powered with AI for better fraud decisioning or easily connect to another provider(s); Kount Custom features an adaptive rule engine, machine learning, cardholder verifications, rule simulations and an analytics dashboard

Consolidated Reporting

Get the transaction insights you need to effectively run your business all in one report



Deliver on the Vision

Innovative, future enabling platform

Many of the fastest growing companies in the world rely on Braintree, staking their reputations on our stability and scalability

Partnership enablement

Braintree extend easily enables partnerships of today and tomorrow with Grant API, Forward API and Network Tokenization capabilities

Payments agnostic

Braintree already enables the most popular and relevant alternative and local payment methods and our roadmap is set for payments of the future

Support across platforms and channels

We help you optimize for xBox, PlayStation, et al as well as mobile, desktop and emerging gaming platforms

Strategic, proactive, future-focused partner

Only PayPal has the power to partner on innovative payments solutions and enable speed to market on a solid foundation of 20+ years of online payments experience and the stability of a billion dollar+ balance sheet.

Savings Summary

PayPal & Venmo Proposal

Region	Micro pricing fees (\$12 or less)	Standard Transaction Fee (\$12.01+)
EU	2.5% +.05 EUR	1.85% + .20 EUR
US	2.5% + .05USD	1.95% + .20 USD

Processing Proposal

Tier	DCC Volume	Transaction Fee
1	\$0 – \$500M	IC + .00% + .02 local
2	\$500M+	IC + .00% + .01 local

Pricing Summary

- Competitive, tiered IC+ pricing to set up Epic Games for long term growth, billed on settled transactions, not authorizations
- Exclusive discount on PayPal pricing = \$1.5mm savings
- PayPal multi-currency withdrawal on all supported currencies
- PayPal Micro-pricing on all transactions \$12 or less

Total Annualized Savings

\$1.5MM

Commercial Terms

DCC Processing

- 90% addressable global processing threshold
- 3-year agreement

Venmo

- 2020 launch via BT SDKs
- Premier site placement for Venmo & PayPal

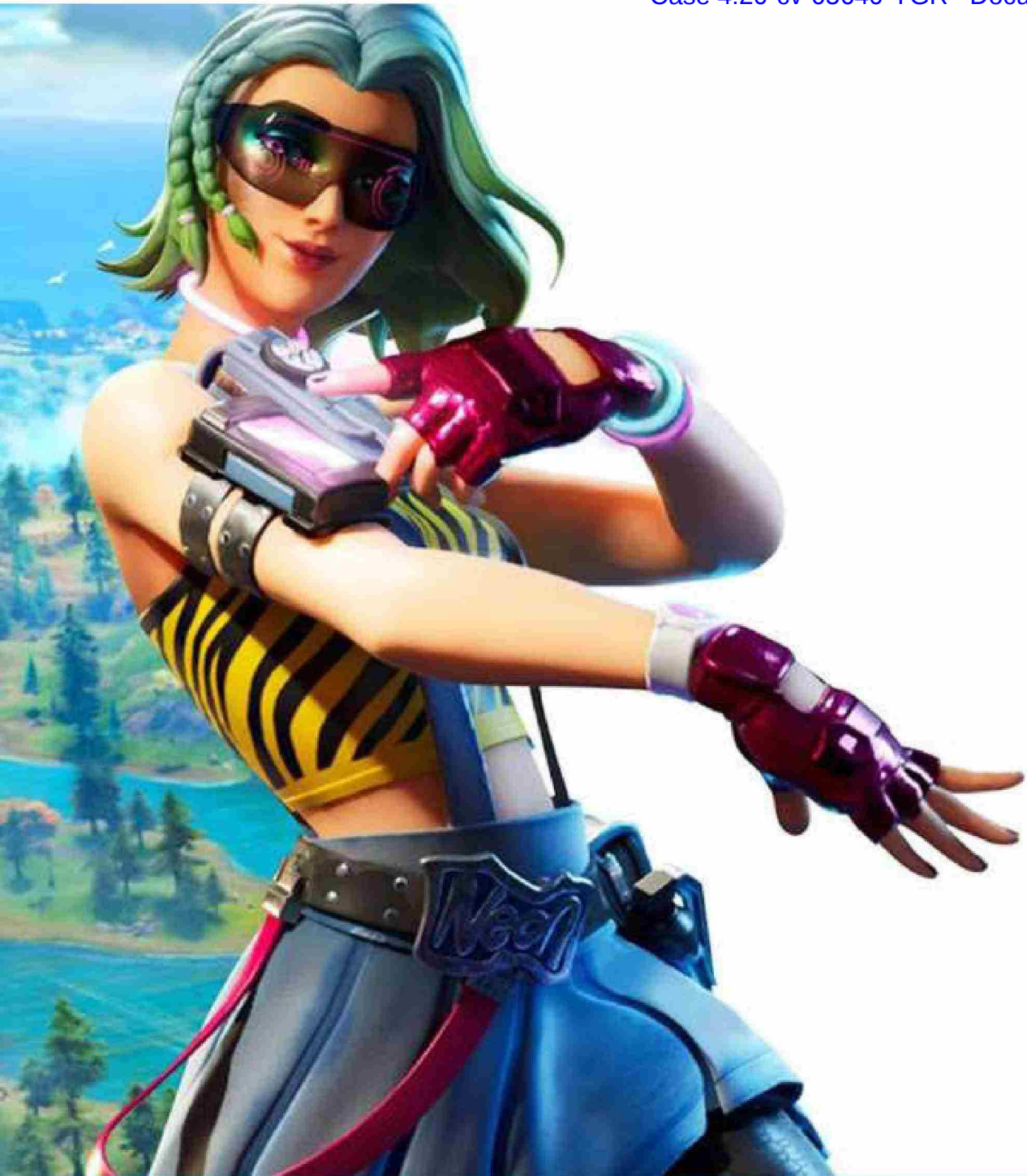
Incentive

- \$250k rebated fees in 2020 if DCC processing + Venmo launched and fully ramped by 6.30.2020

Timing

- Under contract by 5.1.202 or offer expires





Next Steps

Step	Responsible Party	Date*
PayPal Proposal	PayPal	03/27/2020
Begin technical conversations	PayPal / Epic Games	04/06/2020
Begin underwriting, account set-up and contract process	PayPal / Epic Games	04/06/2020
Discuss Go Live Strategy	PayPal / Epic Games	04/13/2020
Begin Sandbox Testing	Epic Games	04/13/2020
Complete Sandbox Testing	Epic Games	05/06/2020
Go Live	Epic Games	06/08/2020

* This is a draft roadmap – we'll align on timing and next steps to meet your launch goals.

The platform that powers some of the world's most forward-looking brands

ticketmaster®



Casper



Allianz 

EVERLANE



Uber



WILLIAMS SONOMA
CALIFORNIA

 Telstra



GRUBHUB



Ladbrokes



A partnership to grow, simplify & create the future, together

Appendix

PayPal Presentment

77 supported currencies

Country	Currency	Currency Code
Albania	Albanian Lek	ALL
Algeria	Algerian Dinar	DZD
Angol	Angolan Kwanza	AOA
Aruba	Aruban Florin	AWG
Bahamas	Bahamian Dollar	BSD
Barbados	Barbadian Dollar	BBD
Bermuda	Bermudian Dollar	BMD
Bhutan	Bhutanese Ngultrum	BTN
Bolivia	Bolivian Boliviano	BOB
Bosnia and Herzegovina	Bosnia and Herzegovina Convertible Mark	BAM
Bulgaria	Bulgarian Lev	BGN
Burundi	Burundian Franc 1	BIF
Brunei	Brunei Dollar	BND
Cape Verde	Cape Verdean Escudo	CVE
Cayman Islands	Cayman Islands Dollar	KYD
Chad, Congo, Equatorial Guinea, Gabon, Central Africa	Central African Cfa Franc 1	XAF
Chile	Chilean Peso 1	CLP
Colombia	Colombian Peso	COP
Comoros	Comorian Franc 1	KMF
Democratic Republic of Congo	Congolese Franc	CDF
Costa Rica	Costa Rican Colón	CRC
Croatia	Croatian Kuna	HRK
Djibouti	Djiboutian Franc 1	DJF
Dominican Republic	Dominican Republic Peso	DOP
Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Anguilla (UK Territory), and Montserrat (UK Territory)	East Caribbean Dollar	XCD

Country	Currency	Currency Code
Egypt	Egyptian Pound	EGP
Ethiopia	Ethiopian Birr	ETB
Falkland Islands	Falkland Pound	FKP
Fiji	Fijian Dollar	FJD
Gambia	Gambian Dalasi	GMD
Gibraltar	Gibraltar Pound	GIP
Guatemala	Guatemalan Quetzal	GTQ
Republic of Guinea	Guinean Franc 1	GNF
Guyana	Guyanese Dollar	GYD
Honduras	Honduran Lempira	HNL
Iceland	Icelandic Króna 1	ISK
Indonesia	Indonesian Rupiah	IDR
Jamaica	Jamaican Dollar	JMD
Keyna	Kenyan Shilling	KES
Laos	Lao Kip 1	LAK
Macedonia	Macedonian Denar	MKD
Madagascar	Malagasy Ariary	MGA
Maldives	Maldivian Rufiyaa	MVR
Mauritania	Mauritanian Ouguiya	MRO
Mauritius	Mauritian Rupee	MUR
Mongolia	Mongolian Tögrög	MNT
Moldova	Moldavian Leu	MDL
Nicaragua	Nicaraguan Córdoba	NIO
Papa New Guinea	Papua New Guinean Kina	PGK
Paraguay	Paraguayan Guarani 1	PYG

Country	Currency	Currency Code
Peru	Peruvian Nuevo Sol	PEN
Qatar	Qatari Riyal	QAR
Romania	Romanian Leu	RON
Saint Helen	Saint Helenian Pound	SHP
Samoa	Samoan Tala	WST
Saudi Arabia	Saudi Riyal	SAR
Serbia	Serbian Dinar	RSD
Seychelles	Seychellois Rupee	SCR
Sierra Leone	Sierra Leonean Leone	SLL
Solomon Islands	Solomon Islands Dollar	SBD
Somalia	Somali Shilling	SOS
South Korea	South Korean Won 1	KRW
Sri Lanka	Sri Lankan Rupee	LKR
Suriname	Surinamese Dollar	SRD
Swazi Land	Swazi Lilangeni	SZL
Tajikistan	Tajikistani Sonomi	TJS
Tanzania	Tanzanian Shilling	TZS
Tonga	Tongan Pa'anga	TOP
Trinidad and Tobago	Trinidad and Tobago Dollar	TTD
UAE	United Arab Emirates Dirham	AED
Uruguay	Uruguayan Peso	UYU
Vanuatu	Vanuatu Vatu	VUV
Vietnam	Vietnamese Đồng 1	VND
Yeman	Yemeni Rial	YER

PayPal Multi-Currency Withdrawal Available in 46 Countries

APAC
Australia
Hong-Kong
Indonesia
Japan
Korea
New Zealand
Philippines
Singapore
Taiwan
Thailand
Vietnam

EMEA		
Austria	Iceland	Slovakia
Belgium	Ireland	Slovenia
Bulgaria	Israel	Spain
Croatia	Italy	Sweden
Cyprus	Latvia	Switzerland
Czech Republic	Luxembourg	United Kingdom
Denmark	Malta	
Estonia	Monaco	
Finland	Netherlands	
France	Norway	
Germany	Poland	
Greece	Portugal	
Hungary	Romania	

North America
United States
Canada

LATAM
Mexico

[Back to functionality details](#)

PayPal Multi-Currency Withdrawal

20 supported withdrawal currencies

Currency	Currency Title
AUD	Australia Dollars
GBP	British Pounds
CAD	Canadian Dollars
DKK	Danish Kroner
EUR	Euros
HKD	Hong-Kong Dollars
NOK	Norwegian Kroner
SGD	Singapore Dollars
SEK	Swedish Kroner
CHF	Swiss Francs

Currency	Currency Title
USD	U.S. Dollars
JPY	Japanese (Yen)
PLN	Polish Zloty
HUF	Hungarian Forint
CZK	Czech Koruna
ILS	Israel Shekel
NZD	New-Zealand Dollar
PHP	Philippine Peso
THB	Thai Baht
TWD	Taiwan Dollar



Important Notes

- Merchants will need to receive finance approval for each currency.
- Merchants can add either a local or non-local domiciled currency bank accounts in the regions shown on the previous slide.
- Not all regions will offer the full list if currencies, this is dependent on regional business approval.

* Expanded currencies

[Back to functionality details](#)

Presentment Reporting

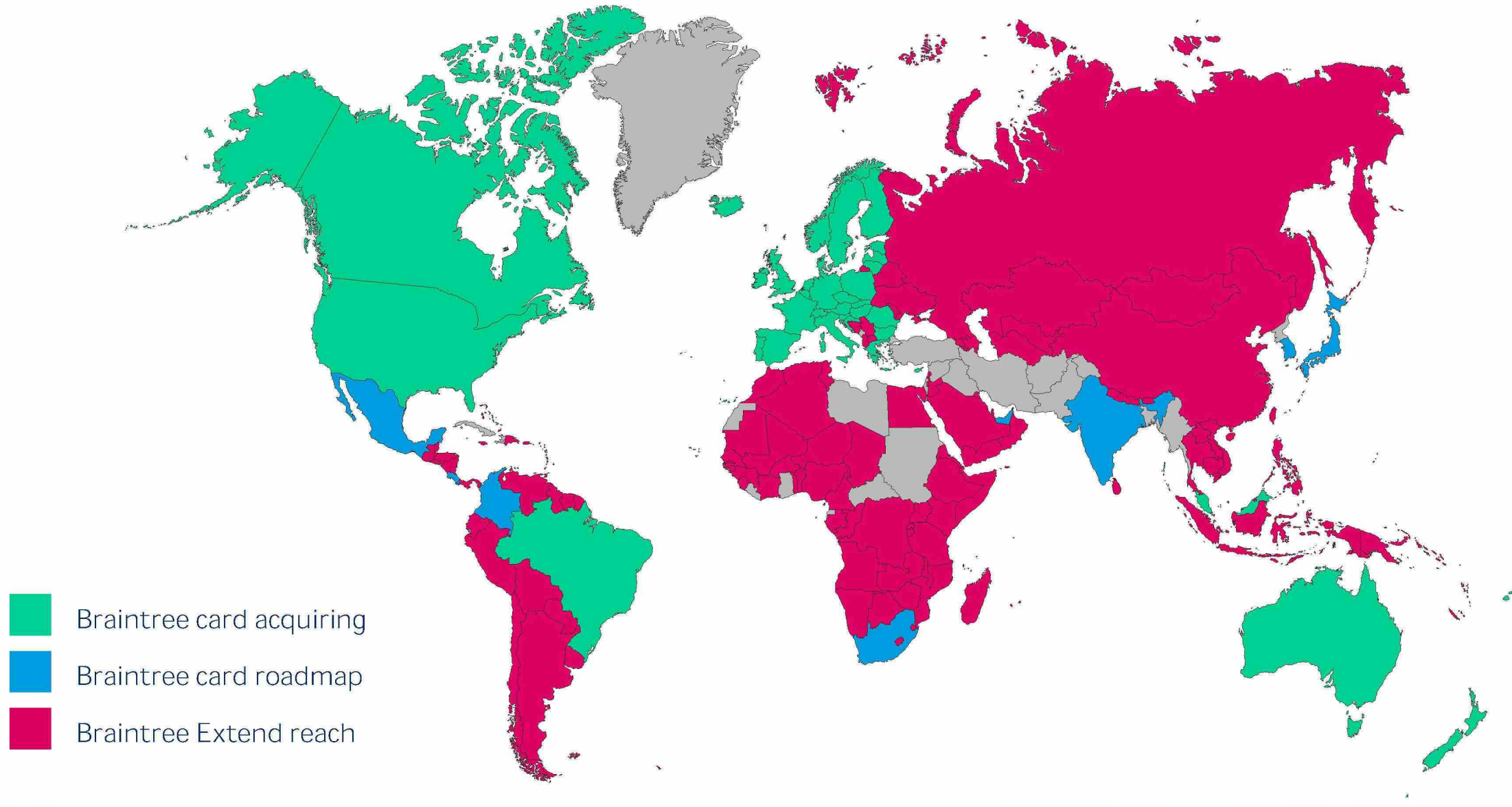
Transactions made with a presentment currency appear in PayPal reports as a general currency **conversion from the presentment currency to the merchant’s primary holding currency.**

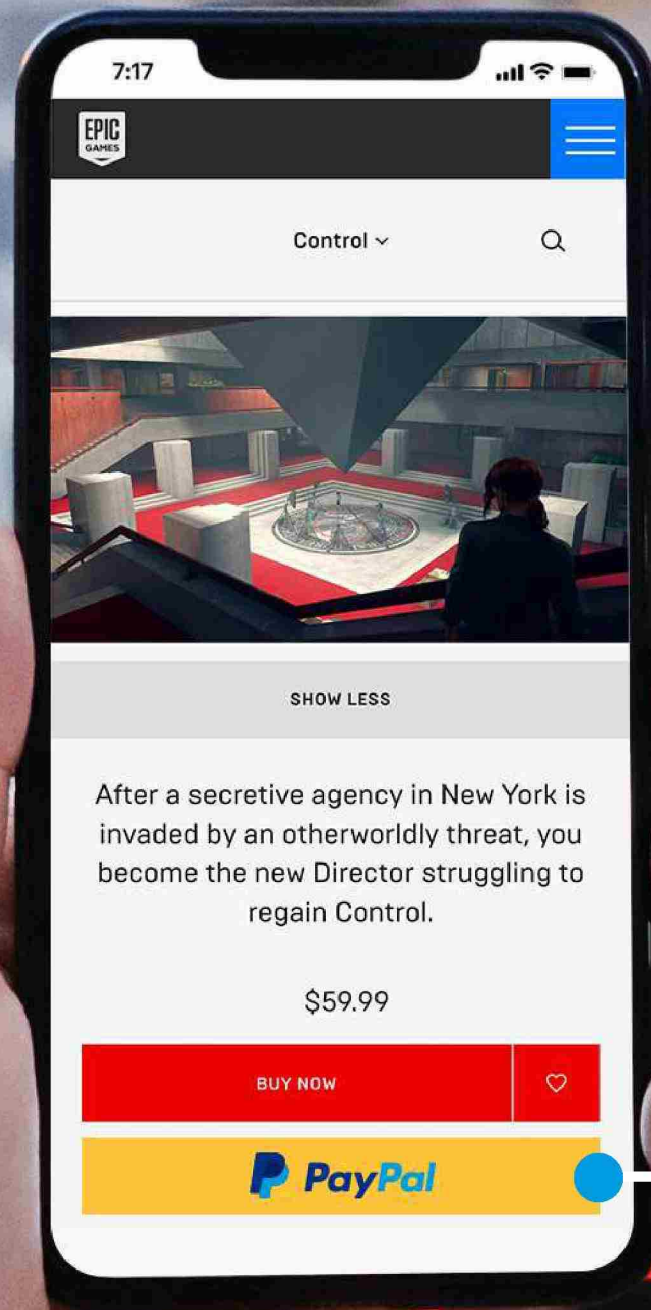
4	CH	Transaction ID	Invoice ID	PayPal Reference ID	PayPal Refer	Transaction	Transac	Transactio	Transaction	Gross Transaction	Gross Trans	Fee Debit or	Fee Amount	Fee Currenc
5	SB	9E386793SF6838225				T0006	#####	#####	CR	16011	AED	DR	814	AED
6	SB	2SR87268SR4868937		9E386793SF6838225	TXN	T0200	#####	#####	DR	15197	AED			
7	SB	6HS81826AJ5022918		9E386793SF6838225	TXN	T0200	#####	#####	CR	4030	USD			
-	--	-----				-----	-----	-----	--	-----	-----	--	-----	-----

In this example a transaction was made for 16011 AED and PayPal converted and deposited 4030 USD into the merchant’s account.

- First record: PayPal credited the merchant’s account with 16011 AED, minus a debit of 814 AED (the fee)
- Second record: PayPal then debited the merchant’s account 15197 AED
- Third record: PayPal then credited the merchant’s account with 4030 USD (converting from the presentment currency to the merchant’s primary holding currency)

Global reach





{your AGILE payments partner}

ALTERNATIVE PAYMENT METHODS SUPPORT



GLOBAL APMS



SUPPORTED CARDS



Tokenization
& Vaulting



Local Bank
transfer



Payouts



Future
Payments

Three pillars for growth.
One flexible integration to get there.

PayPal Commerce Platform

